

# Partial Cheat Sheet for 2387.

Larry Quick

Section 1 - Reforms the property tax process by limiting the valuation increase in property that qualifies by 2% annually, or CPI, whichever is less.

- This is related to all primary residences, including farmsteads.
- True and full value is the base value of the property as of 2019.
- Each qualifying property has a 50K exemption

Section 2 - Limitation on agricultural assessment increases.

- Farmland is subject to the 2%/CPI limits and subject to base rates of 2019
- Change of ownership means a stepped up valuation

Section 3 - Farm residences used for hired help (Employees) are not subject to the 2%/CPI limits

- Farm out buildings remain exempt from property taxes
- Commercial <sup>1/2</sup> investment property does not <sup>qualify for</sup> 2% or CPI <sub>limits</sub>

Section 4 - Homestead Credits

These credits remain intact, if applicable.

Section 5 - Valuation of real property exempt from taxation

## Section 6 - Limitation on effective tax rate

Definition of "effective tax rate" & "primary residence"

- Effective tax rate is 1% unless a greater tax rate is approved by 65% of electors

## Section 9 - mobile homes

- Taped as before, but includes farm residences.

\* Funding for county and township infrastructure needs to be addressed better through state dollars - not property taxes. (other than political sub or county improvement projects)  
Local control of tax rates is essential.

\* We need to expend a little more from the Common Schools Trust Fund to cover educational costs on base education costs paid for by property taxes.

Counties need to be kept financially whole.